

**Laguna
Construction
Company, Inc.**

June 6, 1990
Serial Letter #090-022

Jackpile Reclamation Project
Pueblo of Laguna
Project Office
Laguna, N.M. 87026

Confidential Claim Retracted

Authorized by: SC

Date: 6/12/13

ATTN: Mr. Jim H. Olsen ,Jr.
Reclamation Project Manager

SUBJ: Use of equipment from reclamation project.

Dear Mr. Olsen:

This letter is written to request that you re-initiate Laguna Construction Company's (LCC) original request to utilize a portion of the reclamation project's equipment for other work opportunities.

At present I am charged with developing a long term marketing strategy for LCC's board of directors to review. In order to do this properly, it is important that I know what equipment will be available for our use on other projects in the future.

The progress on the Jackpile Reclamation speaks for itself and I would hope that we could get some approval on utilization of up to 40% of the equipment on the reclamation project as soon as possible. This allows me to develop some long term plans for LCC's growth.

Your timely attention to this request will be appreciated.

Very truly yours,
LAGUNA CONSTRUCTION COMPANY, INC.

Neal D. Kasper

Neal D. Kasper
President and General Manager.



9384297

POST OFFICE BOX 206 • LAGUNA, NEW MEXICO 87026 • (505) 552-6003

PROPOSED ADDITION TO THE JACKPILE PROJECT MANAGEMENT PLAN (06/07/90)

SUMMARY: Authorization for the LCC to use limited pieces of reclamation equipment and facilities for other projects on a reimbursable basis while the Jackpile Reclamation Project is underway.

The intent of the Pueblo of Laguna is to reclaim the Jackpile Mine as soon as practically possible. It is the primary goal that the site be returned to a safe condition consistent with the Record of Decision.

The Pueblo also should review its opportunity to further develop what is already a viable construction company that will continue to employ Laguna tribal members after the Project is completed. One of the major goals of the "Cooperative Agreement" with the Bureau of Indian Affairs is the development of a viable and on-going construction company. To help avoid personnel layoffs at the end of the reclamation effort, the Pueblo recognizes the need to assist LCC to begin seeking other construction opportunities while reclamation is underway.

The Pueblo recognizes that the Jackpile project schedule can be made flexible enough so that some non-Jackpile Project work can be done concurrently and that some amount of reclamation equipment can be used on other projects. Reclamation project cash flows "drive" the project and can impose certain limits of the annual amounts of activity that can be undertaken. As excess capacity may exist or actual reclamation schedules may be underrun, it would be possible to perform outside work and not be detrimental to the reclamation work. Special consideration should be given to insure, however, that the productivity of the equipment teams is not unduly compromised if other portions of the fleet are dedicated to other work.

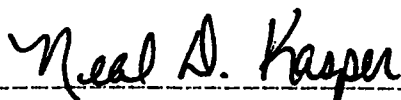
Therefore, the following principles are listed which identify under which conditions the LCC will be permitted to seed and secure non-reclamation project work:

1. THE RECLAMATION FUND WILL NOT SUBSIDIZE NON-JACKPILE PROJECTS.

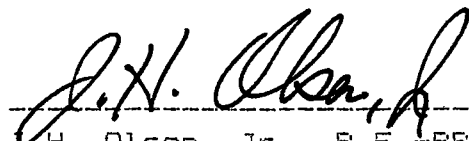
- a. The LCC and POL will establish a fair rental rate (hourly, weekly, monthly, for example) for each piece of equipment. This rate will be approved by the Reclamation Project Manager (RPM) and the BIA Contracting Officer. The rental rate will include depreciation (consistent with the initial purchase price of the equipment.) LCC will maintain separate accounting records (income and expense statements) for outside contracts.

- b. LCC's method of billing general and administrative expenses on a percentage-of-work performed basis will automatically lower this cost to the reclamation fund and thereby allow some personnel to work on other projects on a full or part-time basis.
- c. Recognizing that pieces of construction equipment work in teams to produce maximum productivity, and that the improper "breaking up" of production teams can adversely affect productivity for the remaining pieces of equipment, it will be the responsibility of the LCC to produce in-writing a description of the impacts such changes will have on the approved schedules already in place. These impacts will include projected cost changes, sequence changes, production level changes, re-assigning of the remaining equipment, etc. The RPM will review the LCC proposed schedule/cost changes to insure that equipment teams will remain at productive and cost-effective levels.
- d. Recognizing the LCC's need to be able to respond quickly to business opportunities, the RPM and the BIA Contracting Officer will approve or disapprove all LCC requested changes to the reclamation schedule within fifteen (15) days. If the LCC proposed rescheduling is not acted upon within 15 calendar days, the LCC can assume the proposal is approved. The fifteen day time period begins from the date of the written submittal from the LCC to the RPM Office.
- e. Consulting services or other sub-contracts which are related to production levels on the project will be scaled down accordingly if project activity is less than 3/4 of the originally approved production rate.

2. WHEN DOING NON-JACKPILE WORK, THE LCC WILL MAINTAIN PRODUCTION ON THE JACKPILE PROJECT IN ANY THREE-MONTH PERIOD AT A MINIMUM OF 60% OF THE SCHEDULED RATE IN THE ANNUAL OPERATING PLAN. Changes which will impact this level will require a 30 day evaluation period by the RPM and Contracting Officer.



Neal D. Kasper-LCC, Inc.



J.H. Olsen, Jr., P.E. -RPM/POL